GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2247
ANSWERED ON:10.03.2006
LOAN TO SMALL SCALE INDUSTRIAL UNITS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to make loan available to small scale industrial units from co-operative banks;

(b) if so, the details thereof;

(c) whether the Reserve Bank of India has permitted Urban Co-operative Banks to partake in the `Small Enterprises Financing Centres Scheme`;

(d) if so, the details of small scale industrial sectors identified for the purpose in the country, State-wise;

(e) whether any ceiling has been fixed on loans to be given to such industrial units; and

(f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): Yes, Sir. The Reserve Bank of India on 9.1.2006 has extended the Small Enterprises Financing Centres (SEFC) Scheme to Urban Co-operative Banks.

(d): The State-wise details of SSI clusters covered by the branches of Small Industries Development Bank of India are given at Annexure.

(e) & (f): All tiny units irrespective of loan size and new Small and Medium Enterprises (SME) units (including service sector units) are eligible for coverage under SEFC Scheme. All proposals from existing units for expansion/ modernization/ diversification/ technology upgradation/ marketing/ exports and units which are not having banking linkage or having limited banking linkage, are also eligible under SEFC Scheme. SEFCs will take up co-financing or exclusive financing of term loan requirements of SSI units along with the bank branches.